



Project Activities Summary Report

compiled by Aalto University Team

Output 5.7



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ACKNOWLEDGEMENTS

This output summarises the results of the project activities in which all the Smart Up BSR project partners have been engaged. This report refers to the extensive analysis of the results from the project activities presented in the project publications. Any results are the fruit of reiterative processes between partners during the duration of the project including feedback on implementation and feedback on reported activities. The contributing partners to be acknowledged are listed below.



1. Overview of activities and outputs

This summary reports indicates the outputs and results of the Smart-Up BSR activities and provides a guide on where to locate reports and online and printed publications.

Briefly outlined, these are the outputs that Smart-Up BSR project includes:

- Conferences and workshops involving all project partners showcasing their best practices.
- Innovation camps and conferences, including prototyping, city development, smart city solutions, company pitches, and pilots.
- Two books aimed at a wider European public in addition to regular activity reports compiling each partner's lessons learned related to the tasks and activities.

The project's lessons learned are extensively analysed and presented in the two books published online and in print.

Overall, it can be said that lessons learned were related for example to place-based and regional need-based thematic pilot activities. At a strategic organisational level, lessons learned were related to strategic processes in Smart Specialisation that are supported or constrained by work processes specific to each region.

To summarize, the Smart-Up project lessons learned by the participating BSR regions can be described as follows:

- Lessons learned related to the Smart Specialisation Strategy implementation process
- Lessons learned related directly to the content of thematic focus areas:
 - improving solutions for smart specialization in Active Healthy Ageing, Smart city, Climate change, and Circular economy.
- Lessons learned related to the work processes for engaging stakeholders,
- Lessons learned through innovation camps in co-creating in transnational collaborative activities and making full use of the innovation ecosystem thinking.

Two books were published functioning as a summary report, but also including analyses and recommendations that serve a broader European audience. The books that are to be published with the JRC S3 Platform have the following features:

- To document the methodological lessons of Smart-up BSR.
- To tell compelling stories about the project's successes and lessons learned in addressing the project's challenges:
- To analyse RIS3 activities in each partner region representing each BSR country
- To analyse how Smart Specialisation strategy is concretely implemented and integrated with the main RDI stakeholders' actions;
- To establish how evidence-based policy making - science and knowledge, as well as best practices can be optimally used

The results presented in the published books indicate that:

- Regions operate too much on their own in the BSR and the project's activities were able to create new work processes to increase collaboration
- The project was able to point towards elements of lack of experience and increase occasionally weak commitment of regional decision-makers;
- The project has addressed and provided solutions through Innovation Camps and shared best practices for diverse gaps stakeholders face locally in different regions
- The project has served to bridge open collaborative processes focussing on place-based approach to innovation
- The project's activities have created areas (communication, knowledge and expertise in thematic areas) in which each participating organisation has had a role in functioning as frontrunner region and enhancing implementation of smart specialisation policies in practice. Regional partners have a lasting effect from such practical experiences in orchestrating innovation ecosystems.
- The lessons learned are a useful asset also for a broader European public, especially at from the perspective of European macro-regions

2. Documentation on activities and outputs

The Interreg project Smart-Up BSR with ten partners in each of the Baltic Sea Region countries and multiple regional and cross-regional events has produced a substantial amount of outputs. In this final summary the project outputs are briefly displayed in order to facilitate their usage.

The activities and outputs of Smart-Up BSR include several conference and workshop presentations from the project partners showcasing their best practices. These are all documented in text and picture in the Smart-Up BSR website.

Sharing of knowledge and expertise engaged each partner and participating organisations. Each involved partner has not only provided shared-praced presentations that have been delivered at the numerous Innovation Camps. Each partner has actively been involved in the Innovation Camp practice through first-hand and hands-on experience. This took place in each region, and at conferences and workshops engaging all regions or a combination of the participating regions depending on the relevance for a specific region.

All these activities and outputs are documented in the Smart-Up BSR website. The website documents are organised by activities and are enriched with picture material. The aim has been to provides a good documentation of the work processes for other regions or macro-regions to benefit from.

The objective of the documentation has been to emphasise the importance of engaging stakeholders, co-creating in transnational collaborative activities, and making full use of the innovation ecosystem thinking.

Website: <https://www.smart-up.eu>

The compilation of all content produced by the project partners as well as the analysis of the activities was first produced within the frame of the different outputs for the work-packages. The analysis of the outcomes for each region is clarified in an overall evaluation which has been compiled into two books, one focusing on Smart Specialisation strategy, and one focusing on instruments for capacity building.

The two books are aimed at a broader European public, experts, stakeholders, and especially regional actors in the other European macro-regions. The two books are entitled:

Sustainable Baltic Sea Region – Towards Economic Transformation by Smart Specialisation Strategies (224 pages)

Baltic Sea Region – Strategic Instruments for Sustainable and Entrepreneurial Capacity Building (131 pages)

The books are available both in printed and online versions. The link can be found in the Smart-Up BSR website or it can be accessed directly at

[https://smartup-bsr.eu/wp-content/uploads/2020/10/Smart Specialisation Strategies.pdf](https://smartup-bsr.eu/wp-content/uploads/2020/10/Smart_Specialisation_Strategies.pdf) and

[https://smartup-bsr.eu/wp-content/uploads/2020/10/Smartup Strategic Instruments.pdf](https://smartup-bsr.eu/wp-content/uploads/2020/10/Smartup_Strategic_Instruments.pdf)

Both books are to be published with the JRC S3 Platform.



The book ***Sustainable Baltic Sea Region – Towards Economic Transformation by Smart Specialisation Strategies*** was launched on the Final Conference. The recording of the Smart-Up BSR Final Conference is available on the website. The book launch can be viewed there as a replay.

The book ***Strategic Instruments for Sustainable and Entrepreneurial Capacity Building*** is also available on the website. Both links will also be available from the JRC S3 platform.

The printed books have been distributed by the participating regions in the project to the relevant organisations responsible for RIS3 strategies.

A secondary group benefitting from this output are other BSR regions and stakeholders and in addition to BSR macro-region other macro-regions and EU actors can draw lessons from the compiled information. Other beneficiaries will be members in the Committee of Regions.

The analysis and recommendations presented in the books will lead to capacity building of all actors at regional, national, and EU levels. This will also allow JRC to update their tools and methods to support regions.

The books present an elaborate summary report that will serve as a resource and knowledge base to be used by stakeholders in regions and cities (universities, enterprises, NGOs, as well as relevant ministries).

While the published books contain the details resulting from the project activities and serve as a detailed summary report, in this document report a brief introductory summary and the executive summary of each book are presented.

3. Overview of the activities in the published books

The books document the methodological lessons of Smart-up BSR and the resulting lessons derived from the project's activities, events, conferences, workshops, reflection papers, pilots, and pilot reports. They tell compelling stories about the project's successes and observed gaps.

The books compile what project's partners and participants have learned, the conclusions and recommendations that could be derived about addressing the project's challenges from two vantage points: first, Smart Specialisation strategy creation, implementation and revision, and second, strategic instruments for sustainable and entrepreneurial capacity building.

Both books draw directly from the results of the project activities, but also add a broader innovation performance analysis and contribute with several analytical exercises. They focus on both the results of the camps and conferences, and pilots.

The compiled information analysed in the books relates the results of the actual activities as well as the outcomes of the reflective analysis which the partners were asked to produce, such as reflection papers, Innovation Camp validations, and thematic pilot reports.

Whenever relevant for the region the reflections and summary reports produced by the regions related their lessons learned directly to the content of thematic focus areas such as improved solutions for Smart Specialization in Active Healthy Ageing, Smart city, Climate change, and Circular economy.

In addition, the books analyse the current status of Smart Specialisation activities from the point of view of active engagements, competency versus lack of experience and commitment of regional decision-makers, integration of with the main RDI stakeholders' actions, as well as evidence-based policy making - science and knowledge.

In order to address diverse gaps which BSR stakeholders face – commitment gaps, communication gaps, knowledge and expertise gaps – the collaborative capacity is analysed and emphasised as a way to leverage regional strengths through open and collaborative processes.

Both books are a compilation of the project's results and serve as guides on how to orchestrate regional innovation ecosystems in order to success in creating frontrunner regions for Smart Specialisation policy implementation in practice. This is valuable knowledge not only for the participating regions and the BSR macro-region, but also for other European regions and actors.

4. Outcomes of book 1: Sustainable Baltic Sea Region – Towards Economic Transformation by Smart Specialisation Strategies

This report examines Smart Specialisation strategy creation and implementation in the Baltic Sea Region. Through the Baltic Sea Region example the study advances the understanding of Smart Specialisation strategy, also known through the acronyms S3 and RIS3, as a place-based and evidence-driven innovation policy that aims at regional economic transformation. The study examines how the Smart Specialisation strategy development was conducted across the Baltic Sea regions and cities representing each Baltic Sea Region country and promoting economic development and innovation through Smart Specialisation principles.

This overview of Smart Specialisation in the Baltic Sea Region has been crafted by engaging partners of the Smart-Up BSR project in reflecting on how the strategy creation and revision work in their region prepares the path towards economic transformation. This complies with the goal of involving a large number of regional stakeholders in the Smart Specialisation strategy process and the efforts to improve Smart Specialisation implementation in the Baltic Sea Region. The advantage of the Smart Specialisation strategy lies in orchestrating innovation hubs around chosen themes with regional and cross-regional significance. This study presents what priorities and regional strategic actions can be observed and how these can be turned into cross-regional opportunities.

The study builds upon ten cases in nine countries of the Baltic Sea region. The focus of the Smart-Up BSR project has been on supporting regional development and innovations, including encouraging the Sustainable Development Goals Agenda 2030 into the development initiatives of regions. While the report focuses on the role of Smart Specialisation strategies in the Baltic Sea Region, the work of the participating partners has also included the promotion of instruments as a way to endorse and put into action the strategy content and chosen spearheads through innovation camps and pilots. The study pays careful attention to the recent revision of Smart Specialisation strategy in each region with the purpose of examining how Smart Specialisation strategies refocus and align local/national visions, and whether they generate incentives for inter-regional opportunities.

In short, the aim of this study is to outline the processes of Smart Specialisation strategy creation and how the prioritisation of regional spearheads was achieved in the Baltic Sea Region examples. The report investigates how the Baltic Sea regions have conducted multi-stakeholder work and decision making with regard to Smart

Specialisation strategy and how they have shaped and re-shaped regional objectives and priorities. Guiding questions have been:

1. How have Smart Specialisation strategies been created and implemented in the Baltic Sea Region?
2. What are the themes and content of Smart Specialisation strategies in the represented Baltic Sea Regions?
3. How can we position the Baltic Sea Region's innovation performance by Smart Specialisation strategy and implementation?
4. How do the regions include inter-regional engagement in their strategic objectives?
5. How do Smart Specialisation strategies and processes drive sustainable and cross-regional economic transformation?

The study bases its analysis on the strategy stories of ten regions representing each BSR country: Central Denmark Region with Aarhus, Berlin/Brandenburg regions, Estonia and Tallinn, Helsinki-Uusimaa region, Kotka/Kymenlaakso region, Latvia, Lithuania, Gdansk-Pomorskie-Sopot region, Stockholm and St. Petersburg region.

The analysis is conducted from four perspectives and analysis by:

- Regional Innovation Scoreboard indicators,
- Smart Specialisation strategy stories,
- Smart Specialisation strategy responsibility and
- Regional Strategy Diamond balance.

The cross-case analysis presents findings to shed light on how the Smart Specialisation Strategies have been created, revised and implemented in the Baltic Sea Region.

The findings of the first cross-case analysis focus on the regional scoreboard innovation indicators. As the Regional Innovation Index (RII) describe the innovation capacity of a region, six criteria - *lifelong learning, innovative SMEs collaborating, public and private R&D expenditures, SMEs innovating in-house, Non-R&D expenditures* - were selected to be applied to all regions in this study as having significance for the Smart Specialisation Strategy. This study offers the deeper understanding of importance of learning, learning regions, innovation funding and entrepreneurial spirit. Based on this analysis of Regional Innovation Scoreboard indicators, Helsinki-Uusimaa, Stockholm, Berlin-Brandenburg, Central Denmark seems to perform best.

In the second analysis the strategy stories showcase how regions and countries in the Baltic Sea Region advance towards Smart Specialisation strategy creation and implementation. In many cases the territories or regions are driven by a major city or port, who bridge the territories together via digital, logistics or harbour management solutions. Regions driving forces may be either 1) *Innovation, science*

and technology or 2) logistics and local industry based. Some regions rely on industry collaboration and clusters/ecosystems. Some of the regions prioritize and focus, some of them diversify.

The third perspective examines the responsibility for strategy creation and the implementation in the region or national level. In each of these cases the processes, roles and ambitions reveal to be different even though the purpose is to drive economic development. In general, the responsibility resides in national level in Baltics like in Estonia, Lithuania and Latvia. In other Baltic Sea countries, like in the Finnish, Swedish, Polish and German regions the responsibility is regional. Lithuania represents a hybrid model through a governmental agency. As a conclusion, the Smart Specialisation strategy creation, revision, and implementation with a multi-stakeholder collaboration nurtures dynamic regional actions and success in driving the economic transformation, when the responsibility is regional. One positive example to mention is that several Finnish regions have organised themselves and created self-orchestrated collaboration that binds regions together in Smart Specialisation strategy work and implementation even without national impulse.

The fourth analysis is based on the balance of the five angles of the Regional Strategy Diamond: strategy, actions, competitiveness, competence and culture & leadership. This is an active continuous tool for regions to secure positive results from the implementation of the Smart Specialisation strategy and avoid imbalances. Regions may well have formulated strategies but may be missing the competencies to put them into action or vice versa. Regions cannot be successful without competitive and competent strategies and actions. All the Baltic Sea regions are analysed in the study to help the regions to find out their bottlenecks and achieve the balance between Regional Strategy Diamond angles.

Smart Specialisation work has shown that innovation and development policies in the Baltic Sea Region have led to high performance and brought prosperity on varying grounds, either through science, knowledge and economy, or digitalisation, logistics and harbour developments. Smart Specialisation has contributed in a positive way to the focus and prioritisation of innovation strategies and policies and impacted to the innovation performance of the regions. However, the study concludes that neither inter-regional collaboration, Sustainable Development Goal implementation, nor economic transformation- - are yet a norm in the Baltic Sea Region.

5. Outcomes of book 2: Strategic Instruments for Sustainable and Entrepreneurial Capacity Building

In the Baltic Sea Region (BSR), in accordance to European Union objectives of an inclusive society, sustainable values and tackling the grand societal challenges is the foundation and aspirational target to create the future and regional growth.

Due to their complexity, the grand societal challenges require boundary spanning collaborations across different scientific, economic, engineering and other disciplines, and multi-level governance across sectors, regions and countries. Grand societal challenges involve the whole society. As an example, climate change is not only an environmental problem, it has an impact on everything in people's lives in economic, social, cultural and environmental spheres. It is evident that climate change can't be solved through environmental policy actions alone but needs a systemic approach. It involves heterogeneous partners from research, engineering, business, policy-making and civil society. The challenge is how to include all stakeholders and society to make it happen.

This study follows up on the challenge on how to become sustainable and entrepreneurial and what kind of capacity building and tools are needed to get mobilized. We followed the Smart Specialisation strategy and sustainable development goals' implementation in the Baltic Sea Region on how regions foster a balanced evidence-based economic transformation and answer the urban challenges. The regions gain advantage from a joint cross-regional actions and reflection on what capabilities are needed for regional policies, and communities, to move steadily towards a transition towards a digitized, globalised, and diverse economy. In addition, this study analyses the actions taken by the BSR regions participating in the Smart-Up BSR thematic pilots with the idea to point out effective regional entrepreneurial leadership and thematic transnational collaboration based on entrepreneurial mindset and evidence-based policy making. The analysis of how to take action confirms, the importance and need of capacity building instruments for regional economic transformation.

This book describes the strategic capacity building and tools are essential and required for regions on developing and implementing Smart Specialisation strategies and regional sustainable growth with impact. Strategic capabilities are essential for cross-regional work when aiming at sustainable economic transformation as the cross-regional aspect is not yet clearly pursued in strategic action. This book is built on the dialogue around capacity building in cross-regional context. By examining a set of capacity building and implementation tools, we propose to continue the dialogue and encourage regions to implement the capacity building tools to better build on their regional innovative activities and to generate incentives for inter-regional opportunities.

For the regions, it is a competitive advantage to gain knowledge on how to effectively operationalise Smart Specialisation related policies and local strategies within the scope of UN SDGs and the European Green Deal, in a digital and inclusive economy. While regions

can dispose of several strategic instruments, this study propose the use of the Regional Strategy Diamond, the Organisational Innovation Competency Set, and the Innovation Camps as strategic capacity building tools. Regional strategy diamond indicates the importance of intentionally pursuing balance between priorities, scope, and policies and actions to achieve sustainable and entrepreneurial economic transform in the regions. In combination, these instruments can increase the efficiency in the implementation of regional change, by enabling communities of action to recognise the interdependent nature of social and economic transformation.

Therefore, capacity building has a crucial role in resolving not only regional specific, but also various common needs in the Baltic Sea Region. It can reinforce cooperation and engagement within and between regions to co-create new practices and to balance priorities in RDI and entrepreneurial activities. The innovation actors benefitting from this book are locally and regionally intertwined while operating at different scales, regionally, nationally or internationally. In addition, institutions at EU-level supporting regionally linked stakeholders are key actors in evidence-based policy making for place-based action. In this context the application of specific tools to balance action is crucial to ensure action and correction of action.

Finally, this study has concluded that the path to sustainable and entrepreneurial economic transformation of regions goes through experimentation, prototyping and implementation. The strategic capacity building and tools applied virtually and physically, are essential and allow macro-regional collaboration, active engagement of different stakeholders, and implementation of UN SDGs and Green Deal.

6. Conclusion

This report summarizes the activities and outputs of the Smart-Up BSR project, and the lessons learned. Its recommendations based on lessons learned for which target regional, Baltic and EU level actors are expanded in the two published books covering an analysis of each participating region.

All participating organisations in the projects have participated in the task of reflecting on lessons learned and showcasing their experiences on how to increase RIS3 effectiveness in public sector and innovativeness in selected RIS3 spearheads. The partners used the pioneering pilots, especially tested in practice through Innovation Camps concepts enhancing place-based innovation eco-systems. This included experiencing, testing and prototyping when relevant for a thematic pilot, and building BSR and European partnering.

The Baltic Sea Region and European expertise by several other actors and actor groups was essential and each Innovation Camp showcased an increase of understanding and skills. The last two Innovation Camps which took place during the Covid-19 lockdown and were therefore executed online showcased the constantly increasing skills of the partner organisations in collaborative approaches.

As a result of the Smart-Up BSR project our study in the Baltic Sea Region shows, applying Smart Specialisation makes it possible to mobilise resources all over the Europe for SDGs, industrial strategy and European Green Deal, which makes Smart Specialisation a powerful tool in Europe.

This is a contribution not only for the Baltic Sea Region but also for the wider European context.

The European Commission's Joint Research Centre (JRC) has been working with the United Nations to share the EU experience on Smart Specialisation (S3) strategies as one of the global methodologies helpful in achieving the SDGs, with a distinctive localised place-based approach in Europe. The target is to adopt Smart Specialisation as a reference approach to localised innovation-led transformation agendas, as well as an increasing focus on SDGs as a key framework for setting targets and ambitions in regions.

Smart sustainable cities and regions with active engagement and collaboration of all stakeholders is the future ambition. Smart Specialisation Strategy and its implementation have proven to be strong positive tools for bringing our societies closer to this goal in the Baltic Sea region, and beyond. Smart Specialisation Strategies offer a vehicle of change for decision makers - together with stakeholders from academia and business - to realize the regional and urban development visions, to achieve the SDG goals and to lay a foundation for sustainable economic transformation.

The results that Smart-Up BSR presents for the activities in the represented Baltic Sea Region countries shows that the regions have increased their efforts in Smart Specialization strategy creation and implementation with cross-regional collaboration. The UN Sustainable Development Goals Agenda 2030 has also been taken into consideration in the implementation of the regional strategies.

A challenge for the Baltic Sea Region is to find ways to attract relevant businesses inclusively, or even through cross-regional collaboration. One successful example can be found in the context of circular economy policies and actions. Another challenge is to identify relevant ways to solve grand societal challenges and to foster wellbeing with the help of Smart Specialisation Strategy implementation. Other important themes covered by our study are active healthy ageing, smart cities and climate change.

A lesson learned is however, that the innovation performance and innovation strategy approaches differ from one region to another. As the enabling conditions vary also the regions and organisations necessitate strategic instruments for regional capacity building.

The output of the Smart-Up BSR project with regard to the challenges mentioned above and the activities undertaken by all partners in their own regions or in cross-regional collaboration is available in the two books published online and in print:

Sustainable Baltic Sea Region – Towards Economic Transformation by Smart Specialisation Strategies (224 pages)

Baltic Sea Region – Strategic Instruments for Sustainable and Entrepreneurial Capacity Building (131 pages)

The main conclusion of the lessons learned through the Smart-Up BSR collaboration is that Smart Specialisation has contributed in a positive way to the focus and prioritisation of innovation strategies and policies and impacted to the innovation performance of the regions. However, reflecting on the activities and their outcomes as they have affected project partners regional Smart Specialisation implementation, we can conclude that neither inter-regional collaboration, Sustainable Development Goal implementation, nor economic transformation- - are yet a norm in the Baltic Sea Region.